

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00
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FM AMEMBASSY LISBON

TO SECSTATE WASHDC PRIORITY 0931

INFO COMUSFORAZ LAJES AFB

AMCONSUL PONTA DELGADA

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E.O. 11652: N/A

TAGS: EAIR, PO

SUBJECT: TWA ACCESS TO LAJES

1. DURING PAST TWO DAYS, APRIL 12 AND 13, I HAVE DISCUSSED
AT LENGTH EQUAL ACCESS TO LAJES BY TWA WITH FONMIN MEDEIROS
FERREIRA AND TRANSPORTATION MINISTER RUI VILAR. THESE DIS-
CUSSIONS FOLLOWED MY BRIEF MENTION OF THE SUBJECT LAST WEEK
TO PRIME MINISTER SOARES (LISBON 2771).

2. I HAVE TAKEN THIS INITIATIVE BECAUSE IN MY JUDGEMENT
THE DISCRIMINATION AGAINST TWA IS FAR MORE BLATANT THAN
ANY OTHER PROBLEM FACED BY AMERICAN BUSINESS HERE. IN
MOST CASES BUSINESS PROBLEMS AROSE AS A RESULT OF THE TURMOIL
OF THE GONCALVES PERIOD AND THE SOCIALIST GOVERNMENT HAS
AT LEAST BEEN ON THE RIGHT SIDE OF THE ISSUE, ALTHOUGH,
UNTIL RECENTLY, FREQUENTLY WITHOUT AUTHORITY TO CORRECT
THE SITUATION; IN THE CASE OF TWA THE DISCRIMINATION
HAS BEEN DELIBERATELY CARRIED OUT BY A NATIONALIZED
COMPANY, AIDED AND ABETTED BY THE GOP WHICH HAS CON-
SISTENTLY DRAGGED ITS FEET AS TWA HAS SOUGHT REDRESS.
THE USG HAS COME TO TWA'S ASSISTANCE ONLY SPORADICALLY

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AND HALFHEARTEDLY.

3. I TOLD BOTH FONMIN AND TRANSPORTATION MINISTER IN
STRONG TERMS THAT THE TIME HAD COME TO RESOLVE THE TWA
ISSUE. BOTH AGREED IN PRINCIPLE, AND NEITHER DEFENDED
THE CURRENT SITUATION. RUI VILAR SAID THE PROBLEMS WITH
THE PORTUGUESE AIR FORCE (IF THEY EVER EXISTED) HAD BEEN

SOLVED AND THAT ARGUMENTS WE PRESENTED (STATE 019591) HAD CONVINCINGLY PUT TO REST CONCERNS THAT OPENING LAJES TO TWA WOULD NECESSARILY OPEN IT TO UNFRIENDLY POWERS. HE CANDIDLY ADMITTED THAT THE PROBLEM REVOLVED AROUND TAP'S DIFFICULT FINANCIAL SITUATION AND THE POLITICAL PROBLEMS ATTENDANT THERETO. THIS, OF COURSE, WE HAVE ALWAYS KNOWN.

4. VILAR SIAD GOP HAD DECIDED IT MUST GRANT TWA ACCESS TO LAJES, AND WAS PREPARED TO DO SO IN THE IMMEDIATE FUTURE. "BUT," HE NOTED, "I HAVE TO HAVE SOME KIND OF QUID TO ENABLE US TO SOLVE OUR POLITICAL PROBLEM IN SANTA MARIA AND WITH TAP." WHEN I RESPONDED THAT ONE HARDLY GRANTS A QUID TO CORRECT A CHANCE OF DISCRIMINATION, VILAR AGREED. HE WASN'T AFTER ANY KIND OF REAL CONCESSION, HE SAID, BECAUSE TAP DIDN'T HAVE THE CAPACITY TO TAKE ADVANTAGE OF SUCH A CONCESSION. BUT HE HAD TO HAVE SOMETHING TO SHOW FOR COSMETIC SAKE.

5. I NOTED THAT TAP HAD NOT TAKEN ADVANTAGE OF THE OPPORTUNITIES EXISTING UNDER THE PRESENT BILATERAL AGREEMENT, SUCH AS INAUGURATING FLIGHTS TO MIAMI. VILAR SAID THAT HE HAD EXAMINED THE AGREEMENT AND DIDN'T FIND ANY OF THE REMAINING POSSIBILITIES TO OFFER ANY PROFIT-MAKING POTENTIAL (HE DIDN'T ATTEMPT TO EXPLAIN THE OBVIOUS INCONSISTENCY BETWEEN "COSMETICS" AND "PROFIT-MAKING"). THE ONLY POSSIBILITY MIGHT BE LOS ANGELES IF TAP WERE ALLOWED A STOPOVER IN THE U.S. INSTEAD OF CANADA AS SPECIFIED UNDER THE BILATERAL. HE ALSO MENTIONED THE POSSIBILITY OF LANDING RIGHTS IN CHICAGO. VILAR SAID HE LIMITED OFFICIAL USE

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HOPED ARRANGEMENTS TO ACCOMMODATE TAP'S PROBLEM COULD BE MADE WITHOUT ALTERING THE BILATERAL. HE SUGGESTED IT BE DONE "ON AN EXPERIMENTAL BASIS, PERHAPS FOR ONE YEAR, BY SIMPLE EXCHANGE OF NOTES" AND REQUESTED THAT OUR RESPECTIVE "TECHNICIANS" MEET NEXT WEEK TO DISCUSS THE ISSUE.

6. I NOTED THAT TWA DID NOT WISH TO MISS THE TOURIST SEASON AND THE MATTER HAD TO BE RESOLVED QUICKLY. I DID NOT UNDERSTAND HOW THE GOP INTENDED TO AMEND THE BILATERAL WITHOUT RENEGOTIATING IT BUT I WOULD QUERY MY GOVERNMENT AS TO WHETHER SMALL INTERIM MODIFICATIONS MIGHT BE POSSIBLE BY EXCHANGE OF NOTES.

7. COMMENT: A. WHILE VILAR DID NOT AGREE TO A SOLUTION WITHIN THE CONTEXT OF THE BILATERAL, HE MIGHT BE PREPARED TO DO SO IF WE PUT ENOUGH PRESSURE ON HIM. I SUGGEST DEPARTMENT BEGIN CONSIDERING MEASURES WE CAN TAKE TO APPLY THE PRESSURE ON GOP. THE GOP KNOWS IT HAS NO CASE AND IS ONLY DRAGGING ITS FEET.

B. PART OF VILAR'S POLITICAL PLOY OBVIOUSLY CONSISTS
IN HAVING A TEAM OF EXPERTS NEGOTIATING WITH HIS MINISTRY.
I REQUEST AUTHORITY TO TELL VILAR THAT USG IS PREPARED TO
SEND "TECHNICIANS" TO DISCUSS OUR BILATERAL AGREEMENT, BUT
WILL DO SO ONLY IF GOP HAS GIVEN US FIRM COMMITMENT AS TO
DATE TWA CAN BEGIN SERVICES THROUGH LAJES.

C. DEPARTMENT MAY WISH TO COMMENT ON POSSIBILITY OF
GRANTING TAP AN INTERMEDIATE STOP IN THE U.S. ENROUTE TO
LOS ANGELES.

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